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September 2, 1994

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RECEIVED

FEDERAL COMMUNICATIONS COMMISSION OFFICE OF SECRETARY

HAND DELIVER

Mr. William F. Caton Acting Secretary Federal Communications Commission 1919 M Street, Room 202 Washington, D.C. 20554

> Re: BET Holdings, Inc.

> > August 22, 1994 Petition for Reconsideration

PP Docket No. 93-253

Dear Mr. Caton:

It has come to our attention that, due to an inadvertent error, the above referenced Petition for Reconsideration included an incorrect citation to the Federal Communications Commission's ("Commission") broadband Personal Communications Services competitive bidding rules. On pages ii and 16 of the Petition, the reference to "Section 24.709(c)" of the Commission's Rules should be "Section 24.709(b)." Attached hereto are twelve copies of the corrected pages. As indicated in the attached service list, we will serve a copy of this letter on all parties that filed Petitions for Reconsideration, as well as ITS. We apologize for any inconvenience or misunderstanding this oversight might have caused.

Richard S. Denning

cc:

The Honorable Reed E. Hundt The Honorable James H. Quello The Honorable Andrew C. Barrett The Honorable Susan Ness The Honorable Rachelle B. Chong William E. Kennard, Esq. Dr. Robert M. Pepper Maurita K. Coley, Esq. Thomas A. Hart, Jr., Esq.

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Moreover, the Commission must confirm that its rules permit single-person Control Groups. Providing from single-person Control Group would be consistent with the Commission's policies and would provide maximum opportunity for minorities and women-owned entities to participate in the broadband PCS auctions. Furthermore, the Commission should confirm that the 50.1 percent voting stock requirement and the 25 percent total equity requirement of Section 24.709(b) do not apply to members of the Control Group for purposes of determining the attribution of personal net worth.

In addition, BHI urges the Commission to modify its entrepreneur's block eligibility rules to accommodate designated entity economic growth. It is contrary to Congressional intent and the Commission's policy goals to deny minority and female-owned businesses the full benefit of bidding credits and installment payments simply because they are successful.

Finally BHI believes that the Commission's affiliate Rules were not promulgated in accordance with the Administrative Procedure Act ("APA") and are overly-restrictive. The Commission cannot "borrow" the Small Business Administration's ("SBA") affiliation rules for defining "minority and women-owned entities" without proper notice and comment as required under the APA. Moreover, the

artificial Control Group merely to satisfy the restrictive language of the Rule.

To avoid these results, the Commission should clarify that a single-person Control Group is permissible. Providing for a single individual Control Group would be consistent with the Commission's policies and would provide maximum opportunity for minorities and women-owned entities to participate in the broadband PCS auctions. Moreover, the Commission should also confirm that the 50.1 percent voting stock requirement and the 25 percent total equity requirement of Section 24.709(b) do not apply to members of the applicant's Control Group for purposes of determining the attribution of personal net worth. Applying these thresholds to a Control Group will unduly limit the ability of minority and women-owned entities to participate in PCS. So long as the definition of "minority and women-owned entities" is satisfied by the applicant, and the Control Group "controls" the applicant, no additional restrictions on the identity and equity structure of the Control Group are necessary to quard against the implementation of designated entity "fronts."

CERTIFICATE OF SERVICE

I, Richard S. Denning, hereby certify that on this 2nd day of September, 1994, I caused a copy of the foregoing letter to be served by first-class mail, postage prepaid, to the parties included on the attached service list.

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